
DIGEST

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HB 835 Original

2020 Regular Session

McMahan

Abstract: Authorizes local hospital assessments in Evangeline, Jefferson Davis, St. Landry, and Webster parishes as part of a healthcare provider participation program for financing the nonfederal share of Medicaid costs of health care provided in those parishes.

Proposed law provides that its purpose is to generate revenue by collecting from certain institutional healthcare providers a local hospital assessment payment to be used to provide the nonfederal share of a Medicaid payment program directly benefitting the residents of a parish.

Proposed law defines "institutional provider" as a nongovernmental hospital licensed in accordance with present law.

Proposed law defines "rural institutional provider" as a hospital, other than one defined in the Rural Hospital Preservation Act (R.S. 40:1189.3 of present law), that is licensed by the Louisiana Department of Health (LDH), has no more than 60 beds on November 1, 2020, and meets any of the following criteria:

- (1) Is located in a municipality with a population of between 7,000 and 7,500 according to the 2010 census and in a parish with a population of between 30,000 and 35,000 according to the 2010 census (Ville Platte in Evangeline Parish.)
- (2) Is located in a municipality with a population of between 10,000 and 10,500 according to the 2010 census and in a parish with a population of between 80,000 and 90,000 according to the 2010 census (Eunice in St. Landry Parish).
- (3) Is located in a municipality with a population of between 3,000 and 3,500 according to the 2010 census and in a parish with a population of between 30,000 and 35,000 according to the 2010 census (Mamou in Evangeline Parish and Welsh in Jefferson Davis Parish).

Proposed law applies exclusively to the following four parishes:

- (1) Any parish with a population of not less than 40,000 persons and not more than 42,000 persons according to the most recent federal decennial census (Webster Parish).
- (2) Any parish in which a rural institutional provider is located (Evangeline, Jefferson Davis, and St. Landry parishes).

Proposed law creates a local healthcare provider participation program through which an eligible parish may deposit in a local provider participation fund established by the parish all of the following:

- (1) Any local hospital assessment payment from an institutional provider located in the parish.
- (2) Such other sums as the parish deems appropriate.

Proposed law provides that an eligible parish may adopt an ordinance authorizing it to participate in the program, subject to the limitations provided in proposed law.

Proposed law authorizes the governing body of an eligible parish to require a local hospital assessment payment authorized by proposed law from an institutional provider in the parish.

Proposed law provides that an eligible parish may authorize the collection of a local hospital assessment payment only with an affirmative vote of a majority of the members of the governing body of the parish made at a regular or special meeting held no less than 30 days following publication of a notice in the official journal of the parish of intention to authorize the collection of such payment.

Proposed law provides that a parish that collects a local hospital assessment payment shall do all of the following:

- (1) Require each institutional provider to submit to the parish a copy of any financial and utilization data required by and reported to LDH.
- (2) Hold an annual public hearing on the amounts of any local hospital assessment payments that the parish intends to require during the year and how the revenue derived from those payments is to be spent. Entitles a representative of a paying hospital to appear at the hearing to be heard regarding any matter related to the assessment payments.

Proposed law requires each parish that collects a local hospital assessment payment or in which a rural institutional provider is located to create a local provider participation fund. Provides that all income received by a parish pursuant to the provisions of proposed law, including the revenue from local hospital assessment payments remaining after discounts and fees for assessing and collecting the payments are deducted, shall be deposited in the local provider participation fund of the parish. Provides further that each such fund shall consist of the following monies:

- (1) All revenue received by the parish attributable to local hospital assessment payments authorized by proposed law, including any penalties and interest attributable to delinquent payments.
- (2) Monies received from LDH as a refund of an intergovernmental transfer from the parish to the state for the purpose of providing the nonfederal share of Medicaid supplemental payment program payments, provided that the intergovernmental transfer does not receive

a federal matching payment.

- (3) Sums which the parish elects to deposit.
- (4) The earnings of the fund.

Proposed law stipulates that monies in a local provider participation fund may only be used for one or more of the following purposes:

- (1) Fund intergovernmental transfers from the parish to the state to provide the nonfederal share of a program of Medicaid payments for the benefit of rural institutional providers or other hospitals in the parish authorized under the state Medicaid plan.
- (2) Pay the administrative expenses of the parish associated exclusively with activities authorized by proposed law in an amount not to exceed 5% of the local hospital assessment payment.
- (3) Refund a portion of a local hospital assessment payment collected in error from a paying hospital.
- (4) Refund to paying hospitals the proportionate share of money received by the parish from the department that is not used to fund the nonfederal share of Medicaid payment program payments described in paragraph (1) above.

Proposed law provides for the basis, calculation, and maximum amounts of local hospital assessment payments.

Proposed law prohibits hospitals that pay local assessments in accordance with proposed law from adding such a payment as a surcharge to a patient.

Proposed law provides that if any of its provisions cause a local hospital assessment payment to a parish to be ineligible for federal matching funds, then the parish may provide for an alternative provision or procedure that conforms to the requirements of the federal Medicaid agency.

Proposed law provides a methodology for enhanced reimbursement to rural institutional providers. Requires that the methodology be implemented as soon as is practicable after it is authorized by federal law.

Proposed law requires that LDH, on an expedited basis, shall take all steps necessary and available to obtain approval from the federal Medicaid agency for the state plan amendment relative to the methodology for enhanced reimbursement to rural institutional providers provided for in proposed law. Requires further that LDH, immediately upon notification of such approval, promulgate administrative rules to implement the state plan amendment.

(Adds R.S. 40:1248.1-1248.11)